TREET CORPORATION LIMITED

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55 Years of Excellence

MOODY INTERNATIONAL CERTIFICATION UKAS QUALITY MANAGEMENT 014
ISO 9001 : 2008 (Certificate # 04125)

February 29, 2016

Mr. Muhammad Ghufran
DGM Operations
Pakistan Stock Exchange Limited
Pakistan Stock Exchange Building/Road,
Karachi

NOTICE OF EXTRAORDINARY GENERAL MEETING

Dear Sir,

Furtherance to the directions as per letter no. EMD/233/613/2002-826 dated February 24, 2016 from Securities and Exchange Commission of Pakistan, please find enclosed herewith addendum to the Statement under Section 160(1)(b) of the Companies Ordinance, 1984 that was circulated to the shareholders before the Extraordinary General Meeting held on February 27, 2016 as an additional information/clarification. After due deliberation the proposed Ordinary Resolution was passed by the shareholders.

Please disseminate this information to the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours faithfully,
for TREET CORPORATION LIMITED

Rana Shakeel Shaukat
Company Secretary

CC: Executive Director (CSD)
Securities and Exchange Commission of Pakistan
Corporate Supervision Department
7th Floor, NIC Building, Jinnah Avenue, Blue Area,
Islamabad

Treet Corporation Limited

Notice of Extraordinary General Meeting February 27, 2016

Addendum to Statement under Section 160(I)(b) of the Companies Ordinance, 1984 regarding the Special Business pursuant to directions given by Securities and Exchange Commission of Pakistan vide letter no. EMD/233/613/2002-826 dated February 24, 2016.

1. **Justification of Donation of Rs. 100.00 million despite net profit of Rs. 105.00 million**

The Company has earned a profit of Rs. 105 million for the year ended June 30, 2015, it is also pertinent to note that consolidated profits in same period were Rs. 242 million while Company's reserves and unappropriated profits (excluding Revaluation Reserves) were Rs. 2,237,516,000 on standalone basis and Rs. 2,686,412,000 on consolidated basis. Therefore, financial health of the Company is very good and donation of Rs. 100 million will not have much impact on it.

Furthermore, the donation is in furtherance of the objectives mentioned in the explanatory statement and above, i.e. to have a University within the group which will be the tenant for the premises being constructed by GAL and will also provide affiliation to colleges which may be set-up by GAL. The overall objectives of the education project would be difficult to achieve without this donation.

2. **Provision contained in Memorandum/Articles of Association of the Company permitting the donation**

Following Clauses of Memorandum of Association of the Company permits the aforementioned donation:

III(59) - To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, technical, national public, political or any other institutions, objects or purposes or for any exhibition.

III(62) - To undertake and execute any trust the undertaking whereof may seem desirable, and either gratuitously or otherwise.

III(67) - To act as the holding Company in respect of, direct and indirect, subsidiaries of the Company that are engaged in the businesses (having their own independent objects) and to invest in other entities (having their own independent objects) that is in the interest of the Company.

Copy of Memorandum & Articles of Association of Treet is available for inspection

3. **Quantified benefits of the donations to be received by the Company by virtue of such donation**

Since SCE is a non-profit entity, it will not be able to give any returns or dividends. However, by sponsoring the proposed University it will provide a reliable, financially sound long term tenant for the purpose built campus of GAL. At a later date the proposed University may also be able to provide affiliation to colleges that may be set-up by GAL. Therefore, the proposed University (for which purpose the donation is being made) will play an important role in financial success for GAL. Revenue and profitability projections of GAL is given on **next page**.

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Financial Projection - GAL

Profit and loss account												
PKR' Million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Initial planning & construction phase						Operational phase					
Revenue												
Rental income	-	-	15.5	68.4	151.4	269.8	359.6	496.2	569.1	709.9	783.3	951.4
Services income	-	-	2.8	8.8	17.1	26.8	36.1	44.7	51.5	57.8	63.9	70.3
	-	-	18.3	77.2	168.5	296.6	395.7	540.9	620.7	767.8	847.2	1,021.7
Admin expenses	(0.2)	(0.2)	(5.0)	(6.0)	(7.2)	(8.6)	(10.4)	(12.4)	(14.9)	(17.9)	(21.5)	(25.8)
Other Income	0.2	0.2	-	-	-	-	-	-	-	-	-	-
EBITDA	(0.0)	(0.0)	13.3	71.2	161.3	288.0	385.4	528.4	605.7	749.9	825.7	995.9
Depreciation charge for the year	-	-	(67.7)	(80.3)	(107.0)	(114.3)	(153.8)	(142.0)	(153.1)	(151.4)	(156.0)	(154.7)
EBIT	(0.0)	(0.0)	(54.3)	(9.1)	54.3	173.6	231.6	386.4	452.7	598.5	669.6	841.1
Interest expense	-	-	(1.9)	(16.1)	(28.5)	(33.7)	(29.0)	(9.5)	-	-	-	-
EBT	(0.0)	(0.0)	(56.2)	(25.2)	25.8	139.9	202.6	376.9	452.7	598.5	669.6	841.1
Current tax	-	-	-	-	-	-	(32.4)	(130.9)	(161.2)	(215.5)	(242.7)	(304.1)
Deferred tax	0.0	0.0	19.7	8.8	(9.0)	(49.0)	(38.5)	(1.1)	2.8	6.0	8.4	9.7
Net profit/(loss) for the year	(0.0)	(0.0)	(36.6)	(16.4)	16.8	90.9	131.7	245.0	294.2	389.0	435.3	546.7

Note: The financial projections provided herein above are based on the market study and the current business environment and perceptions of the relevant field. The Company or its directors do not accept any liability for any business decisions by any person on the basis of above financial projections.

Financial Feasibility Reports of UCA and GAL (including Market Study) are available for inspection.

GAL is wholly owned subsidiary of the Company. It is expected that project will be in breakeven in the third year and will generate profits afterward. Thus, Management of your Company is confident that such form of investment will be beneficial to the shareholders of the Company in the form of dividends (from GAL) and appreciation of share's value. Moreover, GAL can also be listed on the Stock Exchange, if Board of Directors of the Company (GAL and Treet) think necessary.

4. Proposed Structure of the transaction

As elaborated in the Statement under Section 160(I)(b) of the Companies Ordinance, 1984 circulated to the shareholders of the Company:

a. Global Arts Limited (GAL), being wholly owned subsidiary of the Company, is established to run, manage and maintain, educational institutions, colleges, schools etc. (but not to operate itself as a university and not to act as a degree awarding institution). GAL can operate as a college with an affiliation with any University in Pakistan without any specific legal approvals.

b. Thus GAL is establishing "educational project" in field of Art, Culture and Architecture, with initial commencement with affiliation or association with other Universities/ Institutes

c. However in the long run it is more feasible in terms of both fees and reputation if a University is established.

d. Keeping this objective in mind, i.e. establishment of its own University for Arts, Culture and Architecture, as well as requirements of applicable policies and laws, the Project is proposed to be implemented through two subsidiaries of the Company i.e. Global Arts Limited (GAL) and Society for Cultural Education (SCE)

e. SCE is a Society registered under the Societies Registration Act, XXI of 1860. Treet Corporation Limited, is entitled to nominate 70% of the members as well as governing body of the Society. The remaining members are to be nominated by PSV (Private) Limited another Company that is being governed by Professor Pervaiz Vandal and Professor Sajida H. Vandal who are veterans of this field and renowned for their contribution towards Culture and Art. SCE, being a body corporate, is a subsidiary of the Company in terms of

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Section 3 of the Companies Ordinance, 1984, since Company is entitled to nominate majority of the governing body of SCE.

Copy of Memorandum of Association of SCE is available for inspection

f. The bifurcation of the project in this manner ensures that GAL will generate revenue as follows:
   (i) In the short term, lease rentals linked to the revenue and income from the provision of amenities including gym, club and allied services etc.;

   (ii) In the medium term, from running colleges that are affiliated with the proposed university;

The Board feels that the structuring of the Project in above manner is most suitable under the applicable circumstances. Since SCE is a non-profit entity, investment in the same is proposed to be in form of donation. Considering the unique nature of the Project, the Board has, however, not made any final decision in this regard (only a small donation of Rs. 6.06 million has been made to date) and has placed the entire matter in general meeting for approval of the shareholders of the Company.

5. Status of donation of Rs. 100.00 million to SCE in terms of allowable /non-allowable expense

SCE will be registered as a non-profit organization once it files the first tax return for the Tax Year 2016 as per requirements under law. Thus donations made on or before this status is not allowable credit to the Company. However, whether or not donation is allowable for tax purposes is likely not to be relevant because in the applicable period the Company is expected to be on minimum tax due to accounting treatment of redeemable capital issued by the Company, Export Earnings (final discharge), Gain on shares trading (which are taxed as a separate block of income) and Tax Depreciation (initial allowance). As stated above tax consideration is not the primary concern while making the donation since the donation is integral to the overall success of the proposed education project.

6. Financial Statements of SCE will be circulated along with Financial Statements of the Company

Under existing accounting standards, SCE (being a non-profit entity) will be excluded from the consolidation. However, Company will append the audited financial statements of SCE with the audited financial statements of Treet Corporation Limited (with a brief in a Directors' Report) and accordingly will be circulated to the shareholders of the Company informing them status and activities of the SCE (including status of the donations).

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